GOVERNMENT OF INDIA
ROAD TRANSPORT AND HIGHWAYS
LOK SABHA

UNSTARRED QUESTION NO:1153
ANSWERED ON:30.07.2001
NATIONAL HIGHWAYS DEVELOPMENT PROJECTS
SUBODH MOHITE

Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:

(a) whether the Government are facing problems in timely completion of National Highways development projects;

(b) if so, the details thereof;

(c) whether the Government have introduced a bonus and penalty clause in contracts;

(d) if so, the details thereof ; and

(e) the reasons for inclusion of such clause in the contracts?

Answer

MINISTER OF STATE FOR ROAD TRANSPORT AND HIGHWAYS (INDEPENDENT CHARGE) (MAJOR GENERAL (B.C.KHANDURI, AVSM)

(a) No, Sir

(b) Does not arise.

(c) Yes, Sir.

(d) For bonus an amount equivalent to 1% of contract value per month of early completion becomes payable to contractor subject to a maximum of 6%. For delay in completion, an amount equivalent to 1/2000 of the contract value becomes recoverable from contractors for each day of delay, (i.e. about 1.5% per month) subject to a maximum of 10% of contract value.

(e) The bonus and penalty clauses have been included in the contracts to ensure completion of the projects well in time.